

DEPARTMENT OF STATE A/CDC/MR

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Memorandum of Conversation
- POLICY PLANNING
STAFF

COPY *6* OF *9* COPI.

DATE:

August 28, 1950

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SUBJECT:

Formosa

Department of State

PARTICIPANTS:

Sir Oliver Franks,
British Ambassador.

Mr. Matthews, G.
Ambassador Jessup, S/A.
Mr. Merchant, IE.

Mr. Hubert Graves,
Counselor, British Embassy.

COPIES TO:

1 - The Secretary; G - Mr. Matthews; S/A - Mr. Jessup, S/P - Mr. Hitzel;
PE - Mr. Rusk; SM - Mr. Perkins.

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The British Ambassador called at his request this afternoon on Mr. Matthews and presented two documents which he had just received from London. The discussion which followed was without benefit of Messrs. Matthews, Jessup and Merchant having read the papers which are being duplicated and will be distributed to those receiving this memorandum.

The British Ambassador opened by saying that each of these documents had been covered by a personal letter to him, the contents of which he felt gave him considerable latitude in talking to the Department since they emphasized that the proposals were made in good faith as constructive offerings but that essentially the British Government wanted to arrive at common ground with the United States. He emphasized that he wanted to lay the problem out as he saw it and not in terms of strict instructions from his Government.

Sir Oliver said that the British Government had grave anxiety over the problem of Formosa and United States policy with respect to it. He emphasized that when he said United States policy he meant not what the State Department said alone, which he and his government believed, but the totality of the acts of various parts of the United States Government which in the aggregate comprised the ambit of total

United States policy

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United States policy toward Formosa. Sir Oliver said that British anxiety arose from the belief that the United States was out on a limb in that Formosa was the one spot in the Far East where the interest of Russia and China coincided. Moreover, he emphasized that if we were out on a limb the British were out there with us in the sense that no one could doubt that if trouble broke they would be at our side and with us in it. He said his Government further felt that the very real risk which arose from these two elements was that the UK and the US might find themselves at war with China, a situation in which the Soviet Union would in all probability not be directly engaged and where even Soviet implication would be difficult to prove.

The Ambassador said that the British were anxious to go along with us in achieving viable action in the UN. He felt that this required closer agreement between the UK and US on long-term political policies with respect to the future of Formosa and that if this were achieved there would be no difficulty in handling the short-term problem of neutralization during the period of disturbance in the general area. He spoke of their worries over certain actions by Chiang Kai-shek, such as the continuation of the blockade, propaganda leaflet drops over the mainland and the capitalization on the visit of General MacArthur to Formosa as elements which increased the fear of Peiping and increased the tension between the Chinese Communists and the United States.

There was also, he said, the problem of securing general support within the UN and this he felt would require at the least vague references to the acceptance of the principle that in the long run Formosa and China belong together. He kept reverting to the importance of accepting the "Chineseness" of Formosa. When questioned in this connection later he admitted that probably at least as important in the eyes of Peiping as their sense of traditional claim to Formosa was their fear that Chiang Kai-shek would be encouraged and equipped to launch an invasion from Formosa to the mainland and hence the elimination of the latter as a threat might be as effective in reducing present tension as a commitment ultimately to return Formosa to the mainland. In all this he emphasized that he was more interested in giving allegiance to what the Cairo declaration recorded rather than to the Cairo declaration as such.

In response to Mr. Jeausup's question as to the possible desirability of a plebiscite which might lead to an independent Formosa, the Ambassador replied that the attraction of such a course was intellectual but that its practical application was "horrid". The Ambassador then said he

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recognized certain realities, one being that this is an election year in the US and another that the UK also has certain public opinion which it must take into account. This public opinion is not inflamed over the issue but it does impose certain limits on the possible action of the British government.

In summary, Sir Oliver said he accepted that there was no practical possibility of a change in our recognition policy, at least until after the election, nor in the mission of the Seventh Fleet until after the Korean affair was over.

In answer to Mr. Jessup's question whether the British government would be affected by the type of government in China to which Formosa might be returned, the Ambassador gave a "yes and no" answer admitting that the behavior of the Chinese government in control on the mainland should undoubtedly control the timing of any turnover.

Mr. Matthews suggested that in clarification of what at one point the Ambassador described as the ambiguity in all its phases and related actions of our policy toward Formosa, Senator Austin's statement of August 25 in the Security Council should be clarifying and helpful and Ambassador Jessup pointed out the significance of the reaffirmation of this position by the President yesterday in connection with ordering General MacArthur to withdraw his statement on the subject. Sir Oliver agreed, adding that he was not so much worried by our stated policy as how it might be executed.

Sir Oliver reverted to the need of an agreed position of the US and UK, preferably being one to which India could adhere in the UN. Incidentally, he felt the Assembly rather than the Security Council was the preferable forum. He thought that such position as we could work out, and urgently, between ourselves should be discussed in a widening group of friendly nations with a view to securing as wide unanimity as possible before the debate. He mentioned the French, the Pakistani, and the Canadians as other governments which should be consulted early in addition to India.

There was then some further discussion of the pros and cons of a plebiscite and the possibility of Formosa becoming another Switzerland, Mr. Jessup pointing out the fact that self-determination was a principle which presumably the Indians and other Asians approved and that there was some evidence the native Formosians did not desire mainland control.

In closing

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In closing it was agreed that a further meeting would be held with Sir Oliver on Tuesday afternoon, August 29, (subsequently set for 3:30 p.m.) and that Sir Oliver would discuss the subject and the progress made in the talks today and tomorrow with the Secretary on Wednesday when he sees him.

Before the Ambassador left, Mr. Matthews suggested that the British might think well of the suggestion that they pass on to the Indians a copy of the President's letter to Senator Austin emphasizing the circumstances in which it had been sent.

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